



General Assembly

Distr.
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A/AC.232/L.8
14 March 1990

ORIGINAL: ENGLISH

AD HOC COMMITTEE OF THE WHOLE FOR THE
PREPARATION OF THE INTERNATIONAL
DEVELOPMENT STRATEGY
Resumed third session
19-23 March 1990

DRAFT ORGANIZATION OF WORK

Note by the Secretariat

Monday, 19 March

- | | | |
|------|---------------|--|
| A.M. | <u>Item 3</u> | Consideration of sections I (Preamble) and II (Goals and objectives) of the outline. |
| P.M. | <u>Item 3</u> | Consideration of section III (Policies and measures):

(a) Reactivation and acceleration of broad durable economic growth and development, including:

(i) external debt;

(ii) International trade and commodities. |

Tuesday, 20 March

- | | | |
|------|---------------|--|
| A.M. | <u>Item 3</u> | Section III (continued):

(a) (iii) Technology;

(iv) Industrial policies; food and agricultural policies. |
|------|---------------|--|

- P.M. Item 3 Section III (continued):
- (a) (v) Economic policy frameworks.
 - (b) Priority aspects of development:
 - (i) Eradication of poverty and hunger.

Wednesday, 21 March

- A.M. Item 3 Section III (continued):
- (b) (ii) Human resources and institutional development;
 - (iii) Population.

- P.M. Item 3 Section III (continued):
- (b) (iv) Environment;
 - (v) Food and agriculture.

Thursday, 22 March

- A.M. Item 3 Section III (continued):
- (c) The need to take account of different requirements, situations and problems, including those of the least developed countries;
 - (d) Development financing.

- P.M. Item 3 Sections IV (Role of United Nations organs) and V (Review and appraisal).

Friday, 23 March

- A.M. Item 3 Consideration of outstanding proposals.

- Item 4 Arrangements for future sessions.

- P.M. Conclusion of the work of the third session.



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18 May 1990

ORIGINAL: ENGLISH

AD HOC COMMITTEE OF THE WHOLE FOR THE
PREPARATION OF THE INTERNATIONAL
DEVELOPMENT STRATEGY FOR THE FOURTH
UNITED NATIONS DEVELOPMENT DECADE

Fourth session

4-22 June 1990

Item 3 of the provisional agenda*

ADOPTION OF THE REPORT OF THE AD HOC COMMITTEE

Draft report

Rapporteur: Mr. Ahmed DJOGLAF (Algeria)

ORGANIZATIONAL MATTERS

A. Opening and duration of the session

1. The Committee held its third session at United Nations Headquarters on 15 January and 19 to 23 March 1990. The Committee held seven meetings (11th to 17th).
2. The session was opened by the acting Chairman.

B. Attendance

3. The following Member States were represented:

Algeria
Antigua and Barbuda

Argentina
Australia

* A/AC.232/8.

Austria	Japan
Bahamas	Lebanon
Bahrain	Libyan Arab Jamahiriya
Bangladesh	Luxembourg
Barbados	Malaysia
Belgium	Mexico
Benin	Mongolia
Bhutan	Morocco
Bolivia	Mozambique
Brazil	Myanmar
Burkina Faso	Netherlands
Byelorussian Soviet Socialist Republic	New Zealand
Canada	Nigeria
Chile	Norway
China	Oman
Colombia	Pakistan
Cuba	Peru
Democratic Yemen	Poland
Denmark	Portugal
Djibouti	Saudi Arabia
Ecuador	Senegal
Egypt	Singapore
Fiji	Sri Lanka
Finland	Sudan
France	Sweden
Gabon	Swaziland
German Democratic Republic	Syrian Arab Republic
Germany, Federal Republic of	Thailand
Ghana	Togo
Greece	Turkey
Grenada	Tunisia
Guyana	Ukrainian Soviet Socialist Republic
Hungary	Union of Soviet Socialist Republics
India	United Kingdom of Great Britain and Northern Ireland
Indonesia	United States of America
Iran, Islamic Republic of	Vanuatu
Iraq	Venezuela
Ireland	Viet Nam
Israel	Yugoslavia
Italy	
Jamaica	

4. The following non-member States were represented by observers:

Holy See
Republic of Korea
Switzerland

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5. The following United Nations bodies were represented:

United Nations Children's Fund
United Nations Conference on Trade and Development
United Nations Environment Programme
United Nations Population Fund
Office of the United Nations High Commissioner for Refugees
World Food Council

6. The following specialized agencies were represented:

International Labour Organisation
Food and Agriculture Organization of the United Nations
World Health Organization
World Bank
International Monetary Fund
United Nations Industrial Development Organization

The International Atomic Energy Agency was also represented.

7. The following intergovernmental organizations were represented:

African Development Bank
Asian-African Legal Consultative Committee
Commission of the European Communities
Organization of the Islamic Conference

C. Election of officers

8. At its 11th meeting, on 15 January, the Committee elected by acclamation Ms. Bethany Armstrong (Canada) to fill the post of Vice-Chairman which was vacated by Mr. Paul Laberge (Canada).

9. All other officers were elected at the organizational session of the Committee.

D. Adoption of the agenda

10. At its 11th meeting, the Ad Hoc Committee adopted the following agenda for the session, as contained in document A/AC.232/6:

1. Election of officers.
2. Adoption of the agenda.
3. Elaboration of the international development strategy for the fourth United Nations development decade.
4. Arrangements for future sessions.

ELABORATION OF THE INTERNATIONAL DEVELOPMENT STRATEGY FOR
THE FOURTH UNITED NATIONS DEVELOPMENT DECADE

11. The Committee considered the question of the elaboration of the international development strategy for the fourth United Nations development decade (agenda item 3) at its 11th to 17th meetings, on 15 January and from 19 to 23 March 1990. The documentation before the Committee under this item is listed in the annex to the present report.
12. At its 11th meeting, on 15 January, the Ad Hoc Committee adopted the outline contained in the annex to General Assembly resolution 44/169 and agreed to conduct an in-depth discussion of sections I to V of the outline.
13. At the 12th meeting, on 19 March, the Under-Secretary-General for International Economic and Social Affairs made an introductory statement.
14. The Committee held a general discussion of the item at its 12th to 17th meetings, from 19 to 23 March. Statements were made by the representatives of Ireland (on behalf of the States Members of the United Nations that are members of the European Economic Community), Bolivia (on behalf of the States Members of the United Nations that are members of the Group of 77), Norway (on behalf also of Denmark, Finland, Iceland and Sweden), the Union of Soviet Socialist Republics, China, Canada, Japan, the German Democratic Republic, Sweden, Venezuela, Jamaica, Denmark, Finland, the Ukrainian Soviet Socialist Republic, Australia, Bangladesh, the United States of America and the Byelorussian Soviet Socialist Republic.
15. Statements were also made by the representatives of the Food and Agriculture Organization of the United Nations, the International Labour Organisation, the World Health Organization, the United Nations Industrial Development Organization and the International Monetary Fund, as well as by the representative of the International Atomic Energy Agency.
16. The representatives of the United Nations Conference on Trade and Development, the World Food Council, the Centre for Science and Technology for Development, the United Nations Children's Fund, the United Nations Population Fund, the United Nations Centre for Human Settlements, the United Nations High Commissioner for Refugees and the United Nations Environment Programme also made statements. A statement was made by the Under-Secretary-General for Human Rights.

ARRANGEMENTS FOR FUTURE SESSIONS

17. At its 17th meeting, on 23 March, the Committee decided to hold its fourth session from 4 to 22 June 1990.
18. At the same meeting, the Committee decided to request the Chairman to prepare, with the assistance of the Secretariat, a working document for consideration by the Committee at its fourth session, taking into account the statements and views expressed by Member States, organs, organizations and bodies of the United Nations system during the third session of the Committee.
19. Statements were made by the representatives of the Libyan Arab Jamahiriya and the Syrian Arab Republic.

ANNEX

List of documents

<u>Symbol</u>	<u>Agenda item</u>	<u>Title</u>
A/AC.232/6	1	Provisional agenda
A/AC.232/7 and Corr.1	3	Summary of the updated report of the Secretary-General on the overall socio-economic perspective of the world economy to the year 2000
A/AC.232/L.8	-	Draft organization of work
A/AC.232/CRP.1	3	Background information on the international development strategy for the fourth United Nations development decade
A/AC.232/CRP.2	3	Discussion papers submitted by the Nordic countries
A/AC.232/CRP.3	3	Discussion paper submitted by Norway and Sweden



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AD HOC COMMITTEE OF THE WHOLE FOR THE
PREPARATION OF THE INTERNATIONAL
DEVELOPMENT STRATEGY FOR THE FOURTH
UNITED NATIONS DEVELOPMENT DECADE

Fourth session

4-22 June 1990

Item 2 of the provisional agenda*

ELABORATION OF THE INTERNATIONAL DEVELOPMENT STRATEGY
FOR THE FOURTH UNITED NATIONS DEVELOPMENT DECADE

Integration of women in the international development strategy
for the fourth United Nations development decade

Note by the Secretariat

At its first regular session of 1990, the Economic and Social Council, by its decision 1990/215, decided to transmit resolution 1990/10, entitled "Integration of women in the international development strategy for the fourth United Nations development decade", to the Ad Hoc Committee of the Whole for the Preparation of the International Development Strategy for the Fourth United Nations Development Decade for consideration at its fourth session. The text of the draft resolution is reproduced below.

1990/10. Integration of women in the international development
strategy for the fourth United Nations development
decade

The Economic and Social Council,

Recalling General Assembly resolution 44/169 of 19 December 1989, which contains an outline for the elaboration of an international development strategy for the fourth United Nations development decade,

* A/AC.232/8.

Recognizing that a major theme of the Nairobi Forward-looking Strategies for the Advancement of Women, 1/ particularly paragraphs 109-111 thereof, is the role of women in development,

Stressing the critical role women play in the development process, and that women constitute 50 per cent of available human resources,

Noting that the Ad Hoc Committee of the Whole for the Preparation of the International Development Strategy for the Fourth United Nations Development Decade, established by the General Assembly in its resolution 43/182 of 20 December 1988, will elaborate the outline contained in General Assembly resolution 44/169, with a view to finalizing the strategy in 1990,

1. Recommends that the Ad Hoc Committee of the Whole for the Preparation of the International Development Strategy for the Fourth United Nations Development Decade identify strategies for ensuring that women's needs and contribution to the development process are reflected in all aspects of the international development strategy, including human resource development and economic growth;

2. Further recommends that the Ad Hoc Committee, in finalizing the international development strategy for the fourth United Nations development decade, consider measures to ensure the full and effective participation of women in development, taking into consideration Economic and Social Council resolution 1989/105 of 27 July 1989, paragraph 11, as well as relevant resolutions adopted by the Commission on the Status of Women at its thirty-fourth session; 2/

3. Urges Member States to give special attention to the role of women in development when preparing their contributions to the work of the Ad Hoc Committee in finalizing the international development strategy for the fourth United Nations development decade and, in this regard, to consult with national machinery and the non-governmental organizations concerned with women in development;

4. Decides that the Commission on the Status of Women should monitor the implementation of the international development strategy as it pertains to women and development in the context of its review of the implementation of the Nairobi Forward-looking Strategies for the Advancement of Women. 1/

1/ Report of the World Conference to Review and Appraise the Achievements of the United Nations Decade for Women: Equality, Development and Peace, Nairobi, 15-26 July 1985 (United Nations publication, Sales No. E.85.IV.10), chap. I, sect. A.

2/ See E/1990/25, chap. I. To be issued in Official Records of the Economic and Social Council, 1990, Supplement No. 5 (E/1990/25).



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AD HOC COMMITTEE OF THE WHOLE FOR THE
PREPARATION OF THE INTERNATIONAL
DEVELOPMENT STRATEGY FOR THE FOURTH
UNITED NATIONS DEVELOPMENT DECADE

Resumed fourth session

17-26 September 1990

Agenda item 2

Note by the secretariats of the United Nations Educational,
Scientific and Cultural Organization, the International
Civil Aviation Organization, the Universal Postal Union,
the International Telecommunication Union and the
International Maritime Organization

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INTRODUCTION

1. In its resolution 42/193 of 11 December 1987, the General Assembly requested the bodies and organizations of the United Nations system, individually as well as collectively, to contribute through the Administrative Committee on Co-ordination (ACC), information and ideas towards the preparations of the international development strategy for the fourth United Nations development decade. In response to that request, ACC adopted on 21 April 1988 decision 1988/1 (ACC/1988/DEC/1-18) which identified elements of relevance to the socio-economic development of the developing countries. It was recommended by ACC, *inter alia*, that "a new strategy should give due attention to the development of infrastructure, particularly transport and communications". The importance of the transport and communications sector for economic growth and development, and its special relevance to the development objectives of developing States during the 1990s, have also been highlighted in statements which have been submitted by various organizations to the Economic and Social Council and the appropriate organs of the General Assembly.

2. The United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Civil Aviation Organization (ICAO), the Universal Postal Union (UPU), the International Telecommunication Union (ITU) and the International Maritime Organization (IMO) have noted with concern that no references to the transport and communications sector were included in the outline adopted by the General Assembly in December 1989 for the elaboration of the international development strategy (annex to resolution 44/169). It is the firm view of the five agencies that the transport and communications sector has a vital role to play in any programme or strategy for development. Indeed the agencies are convinced that serious bottle-necks will occur in the implementation of the programmes of the fourth United Nations development decade unless appropriate and sufficient attention is given to transport and communications in the priorities assigned to various sectors in the programmes of the decade. In particular it is essential that the crucial importance of infrastructure in the sector of transport and communications is given the fullest possible recognition and emphasis in determining the priorities of the decade.

3. The five agencies appreciate that it is necessary to ensure that the policies and activities in the various sectors are fully co-ordinated and that they all remain consistent with the major goals and objectives of the strategy, since they will be determined by the General Assembly. It is their wish to contribute to the overall success of the decade by ensuring that the proposals for the programmes take due account of all the elements necessary to produce a comprehensive strategy which is responsive to the needs and circumstances of all developing countries, and indeed all countries.

4. In this connection the five agencies recall that at the joint meetings of the Committee for Programme and Co-ordination (CPC) and ACC on 18 October 1989 there was agreement among the participants that the organizations and organs of the United Nations system should participate actively in the review and appraisal of the new strategy and in monitoring the indicators and sectoral goals to be included in the strategy. It is in response to that request that the five agencies have considered it necessary to draw to the attention of the Ad Hoc Committee of the

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Whole for the Preparation of the International Development Strategy for the Fourth United Nations Development Decade the need to include appropriate references to the transport and communications sector in the fourth international development strategy with a view to making the programmes of the strategy fully self-contained and more complete. The five agencies believe that their various sectoral activities, as indicated in the annexes to the present document, are directly relevant to the goals and objectives of the strategy and that their inclusion in the proposals to be considered by the Ad Hoc Committee would be of benefit to the developing countries.

5. In the light of the preceding, the views of the sponsoring agencies on the specific role and significance of the subsectors involved, namely maritime transport, air transport, postal communications, telecommunications, and communications and information, are presented below.

I. MARITIME TRANSPORT 1/

6. The importance of maritime transport, and shipping in particular, for trade and development has been recognized for a very long time. That importance remains undiminished. It is estimated that between 80 and 85 per cent by volume of the goods involved in international trade is transported in ships. For the developing countries, the percentage is even higher. These figures demonstrate that the availability of adequate and efficient shipping and port services is essential for all States that wish to participate fully and effectively in international trade and commerce.

7. Due to its complexity and highly technical content, the shipping industry in any country requires a well-established and efficient national maritime infrastructure in terms of suitable ships which are designed, constructed and equipped to global standards, well-managed ports and port facilities and sufficiently trained personnel, both on board ships and in ports, as well as in the administrative and managerial sectors in government and in the board rooms of shipping concerns. Furthermore, the shipping and port services should be fully co-ordinated with national facilities and arrangements relating to the production, purchase and utilization of the exports and imports involved in the external trade and related economic activities of the countries concerned. It is therefore essential that all countries, especially the developing countries, should have continuing programmes for co-ordinating and improving the network of institutions and arrangements which constitute the necessary infrastructure for the management and operation of their ships and ports, in accordance with international norms and standards and in line with the technical and economic circumstances of each country.

8. In promoting its mandate of safer ships and cleaner oceans, IMO has accorded the highest priority to the development or improvement of the maritime infrastructure of every member State. During the 1980s, the Organization developed and carried out plans to assist or facilitate the programmes of individual States or groups of States in major specific fields which are vital to the improvement of maritime safety in all its aspects and the protection of the marine environment and coastal resources.

9. The rapid improvements in modern shipping call for special attention and strengthened support of maritime training. The role of the human factor and the importance of training can best be appreciated from an analysis of the causes of maritime accidents. It is estimated that only 15 to 20 per cent of accidents are due to technical faults, while 80 to 85 per cent are attributable to human factors, such as lack of knowledge or skills, error or negligence. Thus, while it is important to develop technical standards, it is even more important to ensure that the standards are actually implemented in all applicable situations. The problem for developing countries has been the shortage of maritime expertise and the insufficient facilities for training the required number of skilled persons. Hence these countries need greater support from the international community as a whole to assist them in mobilizing their resources at the national and regional levels and to promote and enhance training of their own personnel for self-reliance.

10. The international development strategy for the fourth United Nations development decade offers a welcome opportunity to underscore the vital importance of maritime transport in the promotion of economic development in general. Recognition of that importance should also draw attention to the indispensable need for adequate and appropriate transport infrastructure, including the physical, institutional and human factors. It is hoped that this will in turn help generate the political will to enhance international co-operation and support for the efforts of developing countries to develop and improve their infrastructures, which will enable them to undertake safe and efficient shipping and related maritime operations in a way which will permit them to participate fully and equitably in world trade while contributing constructively to the preservation of the marine environment from pollution arising from the operation of ships and other sea-borne craft.

II. AIR TRANSPORT 2/

11. Air transport contributes vitally to economic and social development by enabling the rapid and efficient transport of passengers, freight and mail within and across national boundaries. It thereby facilitates international relations and fosters tourism, communications and international trade.

12. The development of international air transport throughout the world is closely linked to general economic and social development, and this is particularly true in a number of regions of the developing world. Each mode of transport makes its own contribution to economic growth, and each specializes in the tasks for which it is best suited. The particular attributes of air transport are speed, range and adaptability, combined with an initial modest infrastructure at relatively low cost. Because of its low initial capital outlay and its relative flexibility in comparison with other means of transport, air transport can play a decisive role in the development of regions where climatological and topographical difficulties hinder the progress of surface transport. It has been said with some justification that a mile of road may lead nowhere but a mile of runway may lead everywhere.

13. The aircraft permits operation of fast transport services over any terrain or water and over practically any distance, provided that suitable ground facilities are available. It can open up isolated areas for trade, as well as assist

agricultural and rural development. In particular, it constitutes an important link for land-locked and island countries. While infrastructure costs are relatively low, air transport nevertheless requires sophisticated equipment and well-trained personnel.

14. ICAO provides a forum for the consideration and discussion of pertinent problems. As part of its regulatory activities, ICAO establishes and updates, with the co-operation of its member States, international technical standards for the safe and efficient operation of civil aviation. Through its regional offices, ICAO assists States in the implementation of such international standards as well as of the narrower but equally necessary requirements contained in the Regional Air Navigation Plans.

15. Through its technical assistance activities, ICAO provides significant assistance to a very large number of developing countries, helping them to speed the development of their civil aviation. This assistance has consistently grown because the world-wide web of air transport requires modern facilities and trained technicians, as more and more countries have come to realize the benefits of civil aviation to their social and economic development. In most parts of Africa, Asia, Latin America and the Middle East, the development of air transport helps free countries, regions and continents from isolation. Another significant contribution to economic growth is the role which aviation can play in developing tourism and opening new markets, thereby substantially boosting the foreign exchange earnings of developing countries, as well as creating jobs and additional sources of revenue. It is no wonder, therefore, that in the last three decades, aviation has made great progress in developing countries, most of which have already achieved a considerable degree of self-reliance in many aspects of civil aviation.

16. In this regard the need for a rational approach to the development of air services cannot be emphasized too strongly. This calls for sound planning to ensure that financial resources are mobilized and deployed efficiently and economically. It is therefore important that in the preparation of the new international development strategy the benefits of civil aviation to the socio-economic development of countries are properly appreciated in order to ensure that adequate attention is given to the provision of essential facilities for civil aviation as one of the priority aspects of development for the 1990s.

17. ICAO is prepared to co-operate fully in the review of the specific items and sectoral goals to be included in the new strategy with regard to the transport and communications sector and would welcome any opportunity to participate in this important task.

18. The objectives of the International Civil Aviation Organization, as laid down in the 1944 Convention on International Civil Aviation, the constitutive instrument of ICAO, are to ensure that international air transport services are established on the basis of equality of opportunity and are operated soundly and economically. The underlying fundamental principle has been enshrined in the Preamble to that Convention, namely that "the future development of international civil aviation can greatly help to create and preserve friendship and understanding among the nations and peoples of the world ...". These words eloquently describe both the scope and the concept against which the contribution of civil aviation to economic and social development in the coming decade should be seen.

III. POSTAL COMMUNICATIONS 3/

A. General considerations on the role of the post in society

19. To function coherently, any unit of human society requires an effective transport and communications infrastructure; and the larger and more widespread the unit, the greater the need for that infrastructure.

20. The postal service is more than an integral component of that infrastructure. Almost since its inception, its role has made it an accepted part of the way of life throughout the world.

21. The development of other means of communication has clearly reduced to some extent the former paramount importance of the postal service in the field of communication of information. Nevertheless, even in this particular field it is, and will long remain, the only means of communication linking individuals and peoples everywhere, through its national and world-wide network of services reaching to virtually every point of human habitation.

22. In the field of economic development, the postal service promotes commerce by distributing publicity, collecting and conveying orders, transporting and delivering goods and handling payments for purchases. Among other things, its role in this regard helps to combat isolation in the rural areas, both by serving the existing communities and by making it easier for businesses to be set up and for people to move there. At the monetary and financial level, it facilitates settlements and financial transfers, improves currency circulation through its giro service, enables the State to act directly upon currency circulation and increases the national savings capacity both directly through the collection of small savings and indirectly through the sale of bonds, annuities and the like. The availability of its services also plays an important part in the movement of manpower and the development of tourism, both nationally and internationally.

23. In social development terms, the postal service is first and foremost a means of enabling people everywhere, separated by distance, to maintain the family ties and bonds of friendship which add to the quality of life. But it is also a means, for example, of dispensing social benefits (pensions and allowances, and so on), of keeping the old and infirm in touch with people and events, of combating privation by distributing the necessities of life and of improving public health by conveying and delivering vaccines and medicaments.

24. Similarly, the postal service contributes to cultural development, notably by the facilities it offers for the dissemination of information and instruments of culture of all kinds (newspapers, periodicals, books, films, records and tapes) and for the promotion of literacy and spread of education (by conveying textbooks and making possible the organization of correspondence courses).

B. Contribution of the postal services to the realization of the objectives of the international development strategy for the fourth United Nations development decade

25. As means of communication and as national undertakings, the postal services will have an important role to play in helping countries to realize the objectives of the fourth United Nations development decade, especially as regards the priority aspects of development, namely, the utilization of human resources and development of institutions and the consideration of the special needs of the least developed countries (LDCs).

1. Utilization of human resources and development of institutions

26. The twentieth Universal Postal Congress held at Washington, D.C., in 1989 adopted a resolution entitled "Washington General Action Plan" which advocates the implementation of objectives and priority actions in the area of human resources, in which the main objectives are to modernize staff recruitment, employment and management systems; to adapt training to the needs of users bearing in mind, in particular, the commercial function of the postal service; and to strengthen the internal communication system in the business, and in the area of the development of postal institutions and undertakings, particularly from the viewpoint of: (a) applying commercial and operational strategies and (b) administrative and financial management independence, adaptation of national regulations and implementation of long-term corporate plans and policies.

2. Special needs of the least developed countries (LDCs)

27. Within the framework of the action principles for technical assistance, special programmes are proposed with a view to giving suitable and, if necessary, more substantial aid to the least developed countries.

IV. TELECOMMUNICATIONS 4/

28. The International Telecommunication Union (ITU) firmly believes that telecommunications is essential for socio-economic development. It is not merely an engine for development, it is development.

29. The 1980s have seen phenomenal advances in telecommunication technologies with unprecedented growth of traditional services, as well as the introduction of a large variety of new services in many countries across the world.

30. It would seem that without adequate telecommunication inputs at various levels, international and domestic, the achievement of the full objectives of the programmes of the fourth United Nations development decade could be impaired.

31. This need is all the more pronounced because the gap between developed and developing countries is so wide: 80 per cent of the world's telephones are owned by a mere 15 per cent of the world population; the city of Tokyo has more

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telephones than the whole of Africa. This state of affairs had led the 1982 ITU Plenipotentiary Conference to establish an Independent Commission for World-wide Telecommunications Development which concluded, *inter alia*, that it was their view that henceforth no development programme of any country should be considered as balanced, properly integrated or likely to be effective unless it included a full and appropriate role for telecommunications and accorded a corresponding priority to the improvement and expansion of telecommunications. The Commission also set up a target that by the early part of the twenty-first century, virtually the whole of mankind should be within easy reach of a telephone and services that accompany it.

32. Telecommunications provides support to other important infrastructures, such as roads, railways, maritime and air transport and has a basic and pervasive effect on the overall efficiency of the economy, including enterprises and markets both large and small.

33. Therefore, ITU wishes to reiterate that in the formulation of the international development strategy adequate priority for telecommunications development (expansion as well as modernization) should be given not only for urban areas but also for rural areas where a majority of the human population lives.

V. COMMUNICATIONS AND INFORMATION 5/

34. The international community today unanimously recognizes the importance of the role of communications in the development process. Communications may even be considered as the essential corollary of a country's socio-economic and cultural development.

35. For several decades UNESCO has recognized that communications promote growth in every sector within a country. In this connection, it has accorded high priority to the establishment of links between communications and development by establishing objectives and activities within its programme in order to narrow the communications gap which continues to exist between developing and developed countries.

36. UNESCO has continually appealed to the solidarity of its member States in order to combat inequalities with all the means and organizational structures available to it.

37. Thus, UNESCO is seeking to ensure the free flow of information both internationally and nationally as well as a broader and more balanced dissemination of information without any restriction of freedom of expression.

38. In operational terms, UNESCO is seeking:

(a) To encourage the free flow of information, both internationally and nationally;

(b) To promote a broader and more balanced dissemination of information, without any restriction of freedom of expression;

/...

(c) To develop all means available to strengthen communications capabilities in developing countries so as to increase their participation in the communication process;

(d) To promote awareness and mutual understanding between countries by lending its support to mass information organs; in that connection, UNESCO recommends those international agreements which it considers useful in terms of facilitating the free circulation of ideas, both in writing and visually.

39. The activities of UNESCO include other programmes intended to define the socio-cultural impact of new communications technologies.

40. Motivated by a quest for a more effective development strategy, in 1980 UNESCO instituted the International Programme for the Development of Communication (IPDC). The aim of the programme is, *inter alia*, to develop communications and related infrastructures so as to reduce the gap in this field between various countries. Since its establishment, IPDC has implemented more than 370 projects in the various communications sectors (press agencies, rural press, radio, television, cinema, etc.).

41. While infrastructure is essential, UNESCO is making every effort to ensure that appropriate training (human resources) is provided in advance to facilitate the use and maintenance of the communications media and systems established. In the same vein, UNESCO is seeking to increase self-sufficiency in communications technology.

42. Lastly, clearly-defined plans and policies are essential to the successful development of projects and activities.

43. Accordingly, UNESCO is co-ordinating its communications activities with intergovernmental organizations (specialized agencies) and non-governmental organizations to ensure that its endeavours are directed towards a development strategy which is better adapted to the communications needs of countries.

Notes

1/ Prepared by the secretariat of the International Maritime Organization.

2/ Prepared by the secretariat of the International Civil Aviation Organization.

3/ Prepared by the secretariat of the Universal Postal Union.

4/ Prepared by the secretariat of the International Telecommunication Union.

5/ Prepared by the secretariat of the United Nations Educational, Scientific and Cultural Organization.



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AD HOC COMMITTEE OF THE WHOLE FOR THE
PREPARATION OF THE INTERNATIONAL
DEVELOPMENT STRATEGY FOR THE FOURTH
UNITED NATIONS DEVELOPMENT DECADE

Resumed fourth session
17-26 September 1990
Agenda item 2

ELABORATION OF THE INTERNATIONAL DEVELOPMENT STRATEGY
FOR THE FOURTH UNITED NATIONS DEVELOPMENT DECADE

Letter dated 23 July 1990 from the Deputy Permanent Representative
of Italy to the United Nations addressed to the Chairman of the
Ad Hoc Committee of the Whole for the Preparation of the
International Development Strategy for the Fourth United Nations
Development Decade

On behalf of the European Community and its member States, I have the honour
to forward to you our contribution to your work for the international development
strategy for the fourth United Nations development decade (see annex).

(Signed) Mario SCIALOJA
Deputy Permanent Representative
to the United Nations

Annex

CONTRIBUTION OF THE EUROPEAN COMMUNITY

I. PREAMBLE

The international development strategy, along with other events which are to take place within the United Nations system, should cover basic issues of interest to developing countries. The strategy should set out the main guidelines for the revitalization of the economic growth and development of developing countries. It should be flexible so that it can respond to changing circumstances. It should build on the achievements of the recent special session of the General Assembly.

II. GOALS AND OBJECTIVES OF THE INTERNATIONAL DEVELOPMENT STRATEGY

On the eve of this new decade, the human condition remains precarious: absolute poverty, hunger, malnutrition, ill-health, illiteracy and economic and political insecurity continue to prevail in large parts of the world. Disparities in wealth between the developed and developing countries, and between and within the developing countries, have increased.

The growing interdependence of the world makes it imperative for developed and developing countries to confront the challenges of the 1990s as partners in the substantial effort that will be required to raise the living standards and well-being of developing countries and their populations, in particular their most vulnerable groups and the least developed countries.

A drastic and durable improvement in the human condition and respect for human rights should be the ultimate aim of the strategy. This translates into several objectives of both an economic and a non-economic nature. First, many developing countries need to grow at faster but sustainable rates, while others need to resume growth which has been interrupted. Second, their economic growth must be socially and environmentally sustainable. Third, access to the means of production, productive employment opportunities, education and other essential public services must be equitable so as to reduce poverty and deprivation. Fourth, open, democratic and accountable political systems, based on consent - national, regional and local - are necessary to guarantee greater economic efficiency, equitable development and political freedoms and human rights.

III. POLICIES AND RESPONSES

Effective national policies in developing countries have a critical role to play in achieving these objectives. At the same time, a supportive international environment, principally conditioned by the industrialized countries, is crucial to the success of effective national policies: developing countries that have or are prepared to set their domestic situations and structures right must be able to count on a favourable external environment and external financial support that is adequate in both volume and duration.

It is recognized that the situations that developing countries find themselves in vary considerably due to certain national policies and elements in the international economic environment. Some developing countries have been able to grow and develop successfully in the 1980s, whereas others have been faced with extreme economic difficulties, stagnation and even with negative growth. The national efforts required will vary with such circumstances, as will the needs for external financial support. The problems of the least developed countries will require particular attention.

The first response to the challenges of the decade is to give priority, in the economic policies of individual States and in international and regional economic co-operation, to policies that enable economic growth to continue or, for certain countries, to resume, so that the optimum sustainable rate of growth is attained as rapidly as possible.

A. National economic policies and the international environment

The broad elements should be as follows:

1. Firm macro-economic and financial discipline

The economic and financial policies of individual States, whatever their level of development, should combat the deficits, inflation, and internal and external imbalances that could threaten a high and steady rate of growth.

This usually calls for difficult decisions, especially in the area of public finance. In particular such decisions must improve (a) taxation systems by making them more broad-based and equitable and by improving collection methods and (b) budget efficiency by directing budgetary resources where they are most needed, towards infrastructure and essential public services, in particular social services designed to meet the basic needs of the general population and to protect vulnerable groups.

For the industrialized countries, continuing adjustment should remain a priority in order to counter protectionist pressures, alleviate uncertainties in the financial and exchange markets, and reduce pressures on interest rates that aggravate debt problems. This is essential to maintaining world economic growth.

2. Structural reforms

Taking into account the level of development of individual countries, market-oriented structural reforms are required to make the economy more productive, flexible and competitive. This entails:

(a) Better utilization of the factors of production and avoidance of obstacles to mobility that stem from price fixing, obstacles to competition and, in general, disregard of market laws, economic freedom and initiative;

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(b) Less central direction and involvement from state authority in all sectors, but particularly in the industrial sector;

(c) Reshaping domestic financial systems to encourage savings and investment, promote the necessary financial and credit institutions and help prevent capital flight.

3. Market opening and trade

Greater openness of the economy to external competition including fuller participation in foreign trade is required. Developing countries should seek to become progressively integrated in the world economy in accordance with their respective abilities and their obligations under the General Agreement on Tariffs and Trade (GATT). On the other hand, developing countries should find international markets open and international capital available and should receive the technical support they need. The Uruguay Round will make an important contribution to this market opening.

The GATT-based international trading system should be strengthened and market access should be improved. As regards multilateral rules and disciplines, GATT rules in such areas as safeguards, balance of payments, rules of origin, subsidies and countervailing measures must be strengthened. Progress in agriculture, textiles and services is essential. Also, unilateralism in trade sanctions and bilateral approaches to trade issues should be firmly resisted. Developing countries should be helped to exploit their comparative advantages more fully, through improved market access and further reductions in levels of protection. The particular problems of the least developed countries should be borne in mind. Furthermore, industrialized countries' autonomous generalized systems of preferences need to be adapted in the light of the growing differentiation of situations and needs among developing country beneficiaries, in order to concentrate the benefits on those countries that need them most. Eastern European Governments should develop a preferential system for developing countries' trade.

4. International monetary system

An international monetary system conducive to steady growth, low inflation and low real interest rates, and the achievement of effective external adjustment is necessary to sustain growth. The present system of floating exchange rates with widely integrated financial markets has led to close co-ordination of economic policies between the major industrialized countries. Unsustainably large imbalances, excessive exchange rate fluctuations and high levels of real international interest rates have emerged, and could recur, leading to pressure for trade protectionism, economic uncertainty and a re-direction of savings generated in the world's wealthier economies.

5. Environment

Protection of the environment for future generations is essential.

Shrinking forests, eroding soils, more frequent flooding, over-grazed pastures and desertification - an unsustainable weakening of the natural resource base and ecosystems of developing countries - have become common in those countries for a variety of reasons, among which are their difficult economic situation and poverty. At the same time, the deterioration of environmental conditions accentuates poverty. Measures are needed to reduce population pressures and poverty, change inadequate systems of land tenure and exploitation, and develop sources of foreign exchange earnings alternative to the mining of forests and conversion of forested land. Developing countries also need to pay attention at an early stage to problems of air and water pollution and waste-disposal as their economic development proceeds, taking advantage of the experience of industrialized countries. Environmental protection should be reflected in effective enforcement of up-to-date environmental regulations and the development and dissemination of new and environmentally sound technologies.

Industrialized countries need to assist developing countries in their environment-related efforts, inter alia by (a) providing additional financial assistance (in this connection the financial mechanism of the revised Montreal Protocol has been set up and a proposal for a World Bank Global Environment Facility has been made), (b) facilitating developing countries' access to, and transfer of, environmentally sound technologies and (c) targeting industrialized country aid programmes on limiting environmental damage, including loss of the world's tropical forests.

The industrialized countries have a special responsibility to encourage and participate in international action to combat global environmental problems and to support efforts to build into international structures the capacity to respond more effectively to global problems.

Foremost among these problems are the depletion of the ozone layer and man-made emissions that substantially increase the atmospheric concentrations of greenhouse gases. A business-as-usual approach will lead to additional global warming in the decades to come. In response to these phenomena, targets and strategies should be adopted for limiting or stabilizing emissions of greenhouse gases, in particular carbon dioxide emissions. To this end, the past "command and control" approach should be supplemented, where appropriate, by economic and fiscal measures for preventing pollution at the source and making the polluter pay. The early adoption of a climate convention and associated protocols, including one on tropical forest protection, should also be promoted.

6. Narcotic drugs

The drug situation must be dealt with decisively to prevent the loss in human life that it involves, and drug-related production and trade must be eliminated. Consideration must be given to the best method for converting economies that have become dependent on drug production.

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B. Development policy

The second response to the challenges of the decade is to promote human development by focusing on development strategies that will enable equitable growth to take place and will ensure that it is sustainable. This requires that priority be given to the two basic pillars of autonomous development: capacity building and human resources. It is essential to encourage human development and individual initiative.

1. Developing capacity and human resources

The building up of the development capacity of a country should be based on the principle that the widest possible participation in the economic activity of a country by all members of society leads to a higher rate of growth.

Wider participation in stable, productive economic activity will raise domestic living standards, help alleviate poverty and reduce pressures that would otherwise lead to both national and local environmental degradation, migration to already over-populated urban centres, and international migration for economic reasons that can create severe dislocation.

This requires action on a wide range of matters of public concern, such as health, education and training, improved functioning of government, increased decentralization and privatization, and generally empowering the individual to take charge of his own life. It also calls for improved access by the individual to such factors of production as capital and land and calls for better access to employment, whether in rural or urban areas.

It also calls for more active participation on the part of women in the development process. The assignment of high priority to women in national development strategies is a sound policy, on the grounds not only of equity, but also of efficiency and development, as women often lack the means to improve the economic return on their labour. Moreover it brings about economic, social and demographic benefits: improving family welfare and nutrition; improving the management of natural resources and promoting environmental sustainability; and reducing or slowing population growth, inter alia by giving women access to family planning services.

Sound and participatory institutions

Individual freedom and rights based on pluralistic political processes and protected by effective and transparent legal and judicial systems, the guaranteeing of property rights and the curbing of corruption are fundamental to achieving development.

Better management of public sector personnel with more emphasis on quality than quantity, better incentives and training and, especially, the improvement of policy-making capacity, in accordance with long-term goals, will lead to major improvements in administration, planning and management.

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The right balance between central and local government needs to be struck, as well as between the public and the private sector. The evidence of the past decade has been that the private sector is better able to carry out certain tasks and that its economic role needs to be very significantly expanded, taking into account the development needs of individual countries and sectors.

Education and training

A better balance needs to be struck between primary or secondary and higher level education, with more resources being devoted to primary or secondary education where needs are greatest and benefits more direct. More equitable access to primary education is an important element in increasing economic growth and alleviating poverty. Better access to education for women and girls and more emphasis on adult literacy programmes and vocational training are essential. It is also important that education be better oriented to job requirements and to the needs of a productive economy, including rural development.

In some cases, the quality of existing educational systems needs to be improved or rehabilitated, particularly at the primary/secondary level, and recurrent expenditures for books, teachers, equipment and the like need to be met. It is also important to get more out of resources used through better adapted teaching materials, more effective teacher training, more refined testing and quality improvement in general.

Health

More priority needs to be given to general and primary health care to achieve widespread access to health systems and to secure a better balance between primary and more advanced care. Better planning and management, better use of resources and financial management, especially at the level of advanced care, are important to ensure the sustainability of the system as a whole. More decentralization and reliance on local communities and non-governmental organizations are also important. Basic equipment should be geared to local needs. Improved primary health care can have a dramatic impact on the health of the population, in particular, on the health of women and children. Preventive programmes, such as safe drinking water, sanitation, immunization, oral rehydration, and family and nutrition programmes can also have profound effects on the health status of the population. It is estimated that universal health care can be purchased for 2-3 per cent of GNP even in the poorest countries and should be attainable with more efficient use of existing resources.

Strong programmes to deal with drug abuse and AIDS are vital.

Population

The first and one of the most urgent requirements for safeguarding and strengthening human potential is slower population growth. Whatever the differences between individual countries, in many developing countries rapid population growth has jeopardized sustainable development. The efforts required in this respect can stem only from national political will in these countries and must

be among their strategic priorities for development. Governments must be assisted in developing the capacity to deal with this problem. National awareness of the issue must be increased, and the general position of women in society, including their position at decision-making levels, should be improved.

Rapid population growth is leading to situations where investments in social programmes, such as education, health and employment, cannot keep pace with the growing population. Both high rates of population growth and high rates of migration lead to the deterioration of social conditions and the environment, particularly in many urban centres. Improved rural conditions and development, and the alleviation of poverty are important means of attacking these problems.

The cost of not implementing a widely based population policy rises quickly, maintaining a state of underdevelopment and poverty. On the other hand, resources spent on reducing population growth generally show large and rapid returns. Some estimates indicate that expenditure of as little as 0.7 per cent of GNP can halve population growth over a 15 to 20 year period, with all the attendant savings in social expenditures and, more important, holding out a real prospect of economic growth. Additional resources should therefore be spent on this issue.

Improved access to basic social services in the areas of health and education, particularly for women and girls, can make an important contribution to reducing population growth. More widespread primary health services can lead to substantial gains in maternal and child health through birth-spacing and breast-feeding, for example, and can, in turn, improve prospects for a slow-down in population growth. Fewer births through better access to family planning services also leads to healthier families. In turn, child survival in the long-run leads to lower birth rates.

2. Growth sectors

The third challenge of the decade will be to achieve the right balance between the growth of different sectors of the economy and to ensure the most efficient allocation of resources between them. There has been a tendency in the past to emphasize the leading role of industry and to choose a state-led industrial growth model, which has worked poorly. The emphasis in the 1990s must be on the need to redress the balance between agriculture and industry and to place more emphasis on the private sector. In many developing countries the informal sector also plays an important role in this respect.

Food and agriculture

It is central to this strategy that agriculture, food security and rural development should be very substantially strengthened to alleviate hunger, poverty and social inequality and to ensure a better balance between rural and urban areas, at the same time developing a wider and deeper market for industry.

Reductions in poverty and in population growth call for achieving sustained growth of agricultural production and per capita income of the rural population,

combined with adequate access of all sectors of the rural population to productive resources, including land, water and pasture. Only as more income and food production are generated in rural areas will the persistent problems of lack of food security and malnutrition stand a real chance of being solved.

Agricultural development is also necessary for accelerating the process of industrialization: the agricultural sector can provide the necessary inputs, while growing rural income provides new local demand for industrial outputs.

To achieve these objectives it is important to place more reliance on the individual farmer and on the market-place. Land concentration and ownership, as well as pricing set at levels that provide adequate incentives, and the right credit and exchange rate and trading policies are vital to ensuring productive agriculture.

The right balance needs to be struck between production for food and for export, and diversification of production is needed both to avoid environmentally and economically unsustainable monocultures and to facilitate marketing and export. Improved trade in agricultural products, particularly on a regional basis, is also very important in improving the efficiency of resource use.

Public investment must provide or promote the necessary infrastructure, such as roads, irrigation and water, storage facilities, credit institutions, training, extension services, research and development, and marketing.

The technology needed to best exploit agricultural resources must be harnessed. This involves improved research and plant varieties, more use of fertilizers and machinery, irrigation and water, pest control and the like.

Small holders and their co-operatives need to be encouraged to alleviate poverty, increase employment of landless workers and increase food production. The role of women needs to be recognized and encouraged.

Agro-industries should also be stimulated as another important element in the provision of rural employment and as an important link between urban and rural areas.

Alleviation of poverty and rural development are the best instruments for achieving food security, but additional measures may be required, such as targeted subsidy programmes, more even spreading of food production, better storage facilities and stocks, better and more diversified agricultural practices to ensure more diversity and preserve the land, and better nutritional education and practices. A national food information and surveillance system can be vital in near famine conditions. Food aid will continue to be necessary but should be better integrated in development programmes and with local needs and possibilities.

Industry

The emphasis in the past decade has been on state-led industrialization together with import-substitution investment policies. This strategy has not proved itself, and it is important to adopt a fresh approach in the 1990s.

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A new strategy should focus on better utilization of the private sector and creation of a favourable environment for it. It should also strike a new balance between the need to protect infant industries and the need to make them competitive by opening national markets to more external competition. Investments should be directed to those industries that have a change of exporting and are not too import dependent; diversification and improved marketing are essential adjuncts to this. Small and medium-sized enterprises may often be the best qualified to ensure the success of the type of strategy just outlined.

C. Supporting policies

Two elements are included here which are considered to constitute important elements in support of agriculture and industrial development: science and technology and regional integration.

1. Science and technology

Indigenous research and development must be encouraged and more emphasis placed on regional efforts in order to optimize resource use. This requires better identification of research needs on the basis of widespread consultation between interested parties.

Technology transfer should be encouraged in order to assist developing countries in confronting the major challenges facing them, including that of environmental degradation. Training of scientists from developing countries in the developed countries is one of the most important means of achieving technology transfer. Research and development should be encouraged to help solve problems of developing countries.

Research should be encouraged at every level, including the level of small and medium-sized enterprises. Biotechnology appears to hold particular promise for the solution of certain developing country problems.

2. Regional integration

Regional integration efforts are important for development in a number of ways. They promote trade, industrial and agricultural development, food security and better use of natural resources, in particular energy, and contribute to substantial resource savings in such fields as education and research.

Regional integration efforts in the 1980s have not met with a large measure of success, probably because it is difficult to achieve much between countries of unequal economic development which are often struggling with either an inappropriate development strategy that leaves them vulnerable to imports or because of a genuine and sometimes well-founded desire to protect an infant industry.

The way forward may be to adopt a less ambitious and more pragmatic approach, based less on grand schemes and perhaps more on individual projects or on limited numbers or even pairs of countries, or starting with a limited number of sectors. What is important is that all the parties to the arrangement should find it in their overall economic interest.

While an incremental and ad hoc approach may work in certain cases, there are other situations that require a wider approach. To achieve balance in a regional scheme a number of elements need to be present, which taken together ensure that the parties to the scheme have a shared interest in it. Trade liberalization must sometimes be accompanied by improved road connections, or increased factor mobility of capital and labour. It may sometimes require the establishment of regional funds to compensate the weaker partners, or exchange compensation mechanisms to help cope with chronic trade deficits. The whole then becomes greater than the sum of its parts. Some of the elements may require outside financing, and such aid schemes in the past have proved very productive.

IV. RESOURCES FOR CO-OPERATION*

A. Financial resources

Official development finance (including official development assistance (ODA) and other bilateral and multilateral official development finance), export credits and financial support from the International Monetary Fund (IMF) will continue to play a determining role in the financing of development in many developing countries, owing to both their volume and quality.

Substantial concessional resources will be called for to enable developing countries, especially the least developed ones, to cope with the challenges of the 1990s. Donors must work to increase the level of assistance, and they must reiterate their commitment to the international targets of devoting 0.7 per cent, and 0.15 per cent for the least developed countries, of GNP to official development assistance. Donor and recipient Governments must also work to achieve a more rational utilization of externally provided resources and thus strengthen prospects of self-sustaining development. Appropriate additional resources for the least developed countries should be considered at the Second United Nations Conference on the Least Developed Countries. Assistance to the least developed countries should preferably be in the form of grants; conversion of existing ODA loans to grants should be encouraged.

The effectiveness of aid must be increased, through improved aid co-ordination and a proper integration of aid and economic priorities and strategies, with

* This document could not take into account the outcome of the Second United Nations Conference on the Least Developed Countries, which will take place in Paris from 3 to 14 September 1990. The European Community will of course update this document on the basis of the outcome of that Conference and might be able to offer further proposals before it.

appropriate use of quickly disbursing assistance in support of sectoral or structural reforms, environmental requirements, and human resource and participatory development.

Resumption of export credit coverage under appropriate conditions is of the greatest importance, not only to increase the confidence of private creditors, but also to enable developing countries to have access to the technology needed to modernize and make their industries more competitive.

Other, non-ODA, forms of bilateral and multilateral development finance and IMF financial support must continue to be used, in a flexible and case-by-case manner, to provide and catalyse appropriate external financial support, in particular for strong adjustment and reform efforts. Recipient countries should take all the measures necessary to encourage foreign direct investment and other private flows, in particular, in terms of the legal framework.

B. New forms of economic co-operation

In response to changing needs, budgetary constraints and greater differentiation between developing countries' attractiveness to economic operators, new forms of economic co-operation between industrialized and developing countries that rely extensively on private economic operators need to be developed. Scientific and technological co-operation and public support for managerial training, feasibility studies, direct investment and joint ventures by private economic operators of industrialized and developing countries, and regional integration efforts among developing countries are some new forms of co-operation that may be particularly well suited to more advanced developing countries and may produce a sizeable leverage effect on private financing of development.

C. Commodities

Price fluctuations for primary commodities and a downward trend in many of their world market prices have deeply affected developing countries heavily dependent on these products. Loss of market shares, to the benefit of more efficient producers, have further aggravated their economic difficulties. To counteract the adverse effects of fluctuating or falling export revenues, both the developing countries concerned and the industrialized countries will have to co-operate on various fronts:

(a) Developing countries must continue to diversify their production and export base and improve their competitiveness, distribution and marketing. This is particularly important for certain countries that are excessively reliant on one or two exports. The Common Fund second window, soon to be operational, will have a role to play in this regard along with donors, who like the European Community and its Member States, spend large amounts of aid in the pursuit of these objectives;

(b) Study groups and other appropriate bodies have an important role to play in assessing the wider world commodity market implications of development policies;

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(c) The international community should seek to improve the functioning of existing international commodity agreements, which must reflect and be consistent with market trends;

(d) Compensatory financing mechanisms that follow the example of the European Community's Stabex mechanism, Switzerland's recently introduced scheme and other multilateral mechanisms can help to counteract fluctuations in export earnings. The Stabex mechanism has just been reinforced. The current review of the IMF compensatory financing facility should ensure that it serves its purpose effectively.

D. Debt

The persistence and severity of the external debt problems of a number of developing debtor countries demand continued attention. A sustained effort from all the parties involved - highly indebted developing countries and official and private creditors - is required for helping to create the conditions for reactivation of economic growth and development in the developing countries.

Strong action to address structural problems is required from the highly indebted developing countries. This action, now being undertaken by a growing number of developing countries, must aim at increasing overall domestic productivity and economic efficiency, better mobilizing and keeping at home domestic resources for investment in physical as well as social infrastructure, and encouraging competitive diversification of domestic production and the export base by liberalizing their foreign trade and investment régimes. This action must rest on a strong political commitment and a widely shared domestic consensus.

A supportive international environment is crucial to the full effectiveness of national policies on debt issues. However, external assistance cannot compensate for inappropriate domestic policies and structures.

Substantial progress has been achieved in expanding the resources of the multilateral financial institutions and in reducing the debt and debt-service of the poorest highly indebted countries. Further progress is needed in the last respect. The Paris Club could usefully review the implementation of the existing options that apply to the poorest countries and consider, on a case-by-case basis, extending Toronto terms to a greater number of least developed countries.

Progress is being achieved in dealing with the debt overhand of middle-income countries that are highly indebted to commercial creditors. In the case of the lower middle-income countries that implement strong reform programmes, the Paris Club could usefully lengthen the repayment period, taking account of the special situations of these countries. A review by the Paris Club of additional options to address debt burdens would be welcome.

Creditor nations should continue to play an important role through ongoing contributions to the international financial institutions, new finance and, for the poorest countries, forgiveness of public debt.

Strong efforts are also needed in a number of other specific areas:

(a) Countries should accord the highest priority to strengthening the multilateral trade system, taking into account the concerns and needs of developing countries, in particular the least developed ones. An effective free trade system will be of benefit to all countries. Subjects of particular interest to developing countries are international trade in agriculture, textiles and clothing, and multilateral rules and disciplines, such as safeguards, subsidies and countervailing measures, and anti-dumping measures. Trade in services is also important for development. Growth for many developing countries is based on their ability to increase their exports. Without growth, the service of debt remains precarious even in the presence of sensible adjustment programmes;

(b) While industrialized economies have shown their ability to grow at sustained and rapid rates despite high real interest levels, these high rates put a burden on debtor developing economies that is incompatible with their investment and development needs. Lowering real interest rates internationally calls for sound budgetary policies in the major industrialized countries;

(c) Examination by multilateral and regional institutions of measures to alleviate the debt-service obligations of least developed countries to these institutions.

V. ROLE OF THE UNITED NATIONS

The international development strategy should serve to promote significant progress by the year 2000 in such areas as human development, population, health and education, narcotic drugs, environment, trade and finance, agriculture and industry. It must be pursued with determination and with the full support of Member States, taking into account the areas of competence of the organizations of the United Nations system.

An important goal should be to promote social objectives as a central element in the economic development process.

The activities of the vast network of organizations and bodies that make up the United Nations system stand in need of greater co-ordination. The work of the system should be given greater coherence through closer inter-agency co-operation and co-ordination, especially in the field of operational activities. The strategy constitutes an initial framework for such a task. A review should be undertaken of the need and opportunities for substantial reorganization of the United Nations in the economic and social fields, in order to make it more responsive to the rapidly changing demands of the world community and the challenges of the present decade.

VI. REVIEW AND APPRAISAL

The process of review and appraisal by national Governments and within the United Nations at the global, sectoral and regional levels is an integral part of the international development strategy. The process provides opportunities to review and encourage the full implementation of the strategy and to adjust policies outlined in the strategy in the light of evolving needs and developments. In the implementation of the strategy at the sectoral level, forthcoming United Nations conferences will play an important role, such as the Second United Nations Conference on the Least Developed Countries, the eighth session of the United Nations Conference on Trade and Development (UNCTAD) in 1991, the United Nations Conference on Environment and Development, to be held in Brazil in 1992, and the International Meeting on Population in 1994.

The General Assembly and the Economic and Social Council should regularly review and appraise the progress made in the implementation of the strategy on the basis of reports and recommendations of the Secretary-General and the Committee for Development Planning. This process should coincide with the political review of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries adopted by the General Assembly at its eighteenth special session.
